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IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

FOURTH APPELLATE DISTRICT

DIVISION THREE

CONSUMER DEFENSE GROUP,

Plaintiff and Appellant,

v.

SHELL OIL COMPANY et al.,

Defendants and Respondents.

G034935

(Super. Ct. No. 03CC00419)

O P I N I O N

Appeal from a judgment of the Superior Court of Orange County, Stephen J. Sundvold, Judge. Affirmed.

Graham & Martin, Anthony G. Graham and Michael J. Martin for Plaintiff and Appellant.

Latham & Watkins, James L. Arnone, R. Scott Pearson and Courtney E. Vaudreuil for Defendants and Respondents ConocoPhillips Company, Chevron Corporation, Chevron Environmental Management Company and Chevron Pipe Line Company.

Sheppard, Mullin, Richter & Hampton, Jeffrey J. Parker and Whitney D. Jones for Defendant and Respondent Exxon Mobil Corporation.

Caldwell, Leslie, Newcombe & Pettit, Michael R. Leslie, Kathleen A. Kenealy and Sandra L. Tholen for Defendant and Respondent Shell Oil Company.

Donald A. Redd, Douglas P. Ditonto, Michael Gonzales and Laura A. Meyerson for Defendant and Respondent Southern California Edison Company.

DLA Piper Rudnick Gray Cary US, Jeffrey M. Hamerling and George J. Gigounas for Defendants and Respondents Atlantic Richfield Company and BP America, Inc.

McKenna, Long & Aldridge, Stanley W. Landfair, Ann G. Grimaldi and Ryan S. Landis for Defendants and Respondents Northrop Grumman Corporation and Northrop Grumman Space & Mission Systems Corp.

Bill Lockyer, Attorney General, Thomas Greene, Chief Assistant Attorney General, Theodora Berger, Assistant Attorney General, Edward G. Weil and Dennis A. Ragen, Deputy Attorneys General, for Department of Toxic Substances Control and the Attorney General as Amici Curiae.

* * *

Consumer Defense Group (CDG) appeals from a judgment entered after the trial court sustained, without leave to amend, demurrers filed by defendants cleaning up a former landfill designated as a hazardous waste site by the California Department of Toxic Substances Control (DTSC).¹ None of the individual defendants owned the landfill but each deposited waste there before it closed in 1984 and, at the time of the complaint, each participated in site remediation pursuant to a 2003 consent decree with

¹ The defendants who have responded on appeal are ConocoPhillips Company, Chevron Corporation, Chevron Environmental Management Company, Chevron Pipe Line Company, Exxon Mobil Corporation, Atlantic Richfield Company, BP America, Inc., Southern California Edison Company, Shell Oil Company, Northrop Grumman Corporation, and Northrop Grumman Space & Mission Systems Corp.

DTSC. CDG’s complaint sought to impose Proposition 65 liability on the defendants with allegations that: (1) “discharge[s]” and “release[s]” of dangerous chemicals continued unabated at the site during remediation despite defendants’ attempts at containment (Health & Saf. Code, § 25249.5),² and (2) the defendants failed to post warnings at the site and therefore “knowingly and intentionally expose[d]” persons at and near the site to dangerous chemicals (§ 25249.6). CDG’s complaint also claimed these alleged Proposition 65 violations constituted unfair business practices. (Bus. & Prof. Code, § 17200.)

CDG contends *Consumer Advocacy Group, Inc. v. Exxon Mobil Corp.* (2002) 104 Cal.App.4th 438 (*Consumer Advocacy Group*) is distinguishable because the defendants are *current* “operators” at the site. The complaint supports the conclusion defendants are operating at that site only insofar as they are cleaning it up. Accordingly, the fatal defect in the complaint is that remediation — albeit “ineffective” according to the complaint — presupposes the existence of *past* “discharges” and “releases” in need of containment, and does not imply those containment efforts have themselves caused *new*, “active” discharges or releases subject to Proposition 65 liability. (Accord, *ibid.* [passive migration of prohibited substances after initial discharge or release does not constitute a new discharge or release within meaning of Proposition 65].) We therefore conclude the trial court properly sustained the demurrers and dismissed CDG’s suit.

² All further statutory references are to this code unless noted otherwise.

I

FACTUAL AND PROCEDURAL BACKGROUND

After two false starts, CDG filed a second amended complaint (the complaint) alleging the defendants violated provisions of the Safe Drinking Water and Toxic Enforcement Act of 1986 (the Act), which became law pursuant to an initiative measure known as Proposition 65. Specifically, CDG claimed the defendants violated section 25249.5, which provides: “No person in the course of doing business shall knowingly discharge or release a chemical known to the state to cause cancer or reproductive toxicity into water or onto or into land where such chemical passes or probably will pass into any source of drinking water, notwithstanding any other provision or authorization of law except as provided in Section 25249.9.”³ CDG also alleged the defendants violated section 25249.6, which states: “No person in the course of doing business shall knowingly and intentionally expose any individual to a chemical known to the state to cause cancer or reproductive toxicity without first giving clear and reasonable warning to such individual”⁴

CDG learned of the defendants and their activities at a former landfill in Huntington Beach from a public consent order filed by the DTSC in 2003. As CDG informed the trial court at one hearing, “The Consent Judgment itself says that it can’t be used to prove liability. We’re not doing that. We’re using the Consent Judgment simply

³ Section 25249.9 exempts discharges and releases in the first 20 months after a chemical is first listed on a roster published by the state (see § 25249.8), and also exempts discharges or releases of an insignificant amount of the chemical that are in conformity with applicable regulations and permits.

⁴ No additional warning is required where federal law requires a warning that preempts this section, and section 25249.6 does not apply to exposures occurring within 12 months of a chemical’s listing on the state roster, nor to exposures the defendant proves are insignificant based on the state’s listing criteria (§ 25249.10).

for certain facts contained therein. For example, the identification of the chemicals, the toxic chemicals involved; the identification, frankly, of these parties.” CDG referenced the consent order liberally in its complaint, but attached no copy of the order.⁵

According to the complaint, the former landfill is one-quarter mile from the Pacific Ocean and consists of approximately 38 acres, bounded by Hamilton Avenue on the north, Magnolia Street on the east, an oil storage tank area on the south, and the Huntington Beach flood control channel and an industrial area on the west. The location includes “historic disposal areas, comprising former disposal pits, current ‘lagoons’ and former ‘lagoon’ areas.” Five waste lagoons are “filled with oily waste material, covering approximately 30% of the Site,” and one pit (“Pit F”) “contain[s] styrene waste and other waste[.]” There are also “several buried pits containing oily waste material and at least one abandoned oil well.” The complaint observed that, “[a]lthough the Site is fenced, the California Environmental Protection Agency (CEPA) and DTSC have noted that there is evidence that trespassers have obtained access to the Site on a number of occasions.”

The complaint alleged that, “[a]ccording to the Consent Order, as well as the relevant DTSC files, Defendants formerly contaminated the site by the disposal or treatment of hazardous substances, including Designated Chemicals, and are currently responsible for the ‘clean up’ of the Site. Defendants are currently and for the foreseeable future onsite working both with matters related to the ‘cleanup’ of the Site, all matters related to the Designated Chemicals located at the Site, and all matters related to the Site itself.”

⁵ The respondents do not assert the complaint misstated any terms of the consent order.

Furthermore, the complaint alleged: “According to the DTSC, the actual and threatened ‘release’ of Designated Chemicals from the site will continue until the Designated Chemicals are effectively contained by the Defendants. Until the chemicals at the Site are effectively contained[,] Defendants will continue to be in violation of [section] 25249.5, and subject to the remedy set forth in [section] 25249.7.”⁶ According to the complaint, “as owners and/or operators of the Site,” the defendants violated section 25249.6 “by failing to provide clear and reasonable warnings at and around the Site to warn employees, visitors and local residents that they may be exposed to chemical known to the State of California to cause cancer and/or reproductive toxicity Such exposure will occur by contact by any or all of those persons with those chemicals at or near the Facility.”

The complaint alleged the defendants were “operators” of the site by virtue of their cleanup operations there, and that they owned the site because each was a member in a limited liability company, Cannery Hamilton Properties LLC, that allegedly purchased the property.

According to the complaint, the defendants exposed victims to the discharge and release of dangerous chemicals in the following manner: “(i) volatile waste components present in the lagoons and Pit F volatilize[] from the surface and disperse[] in the atmosphere causing exposure to people both onsite and offsite via inhalation; (ii) disturbance of the lagoons or Pit F will result in the release of vapors or hazardous particulates into the atmosphere where persons may inhale or ingest such

⁶ Section 25249.7 provides for injunctive relief for violations of Proposition 65’s discharge and warning provisions, as well as for civil penalties of up to \$2,500 per day for each violation, enforceable by the Attorney General or certain other public attorneys and, if they decline to prosecute, by any private person in the public interest.

substances; (iii) the lagoons have previously overflowed during heavy rains causing hundreds of gallons of overflow to run down the streets offsite. Rainwater runoff from the Site which has come into contact with contaminated soils on the Site is likely to lead to offsite contamination by direct contact with persons in the area; [and] (iv) the Designated Chemicals in the lagoons and Pit F have migrated and will continue to migrate into the soil and groundwater beneath and adjacent to the Site through the walls of the lagoons and Pit F.”

Additionally, the complaint alleged that on March 18, 2004, an abandoned oil well at the site “exploded[,] showering gallons of Designated Chemicals, including but not limited to methane and benzene, over hundreds of homes within a quarter mile of the Site and causing hundreds of thousands of dollars in property damage. Further a number of local residents publicly complained of chest and throat irritation from the downpour of discharged Designated Chemicals.”

After the defendants filed their demurrers, the trial court conducted a hearing and subsequently entered a detailed minute order. The order states, in relevant part: “This Court cannot ignore the Consent Order. Plaintiff’s [a]ction for the most part is based on that Order. The Consent Order does not impose liability on the Defendants. As this Court has noted in the past, Defendants are operating under that Consent Order which neither makes them operators nor imposes Proposition 65 liability. Under the Consent Order, Defendants have not admitted any liability, but have agreed to remediate the Site. To now impose liability because Defendants are remediating the Site would be contrary to Proposition 65 and the very need to remediate.” The trial court sustained the defendants’ demurrers, and CDG now appeals.

II DISCUSSION

A. *Preliminary Matters*

1. Briefing Order

On our own motion we requested further briefing from the parties on three questions and also invited DTSC to respond to our inquiries. The parties and DTSC provided the same reply: (1) the landfill at issue here *is* a “hazardous materials release site” within the meaning of section 25260, subdivision (e);⁷ neither the DTSC or any other agency has assumed “sole jurisdiction” over the site pursuant to section 25264, subdivision (a);⁸ and (3) CDG’s suit is not, therefore, preempted by section 25264, subdivision (a)(1).⁹ Our concern in requesting additional briefing focused on whether the designation of an agency with sole jurisdiction to administer *all* state laws governing remedial action at the site would preempt CDG’s action under Proposition 65. The parties’ answers moot our concern. And we agree with the respondents, who point out

⁷ That section defines a “hazardous materials release site” as “any area, location, or facility where a hazardous material has been released or threatens to be released into the environment. . . .”

⁸ Section 25264, subdivision (a), provides that, out of the regulatory agencies that may be concerned with a hazardous release and cleanup, a single agency may be designated to have sole jurisdiction “over all activities that may be required to carry out a site investigation and remedial action necessary to respond to the hazardous materials release at the site.” The agency may be designated pursuant to a request by a party responsible for remediation at the site, upon approval by a site designation committee within the CEPA. (See §§ 25261; 25262, subd. (a).)

⁹ Section 25264, subdivision (a)(1), invests in the designated agency sole jurisdiction to “[a]dminister *all* state and local laws, ordinances, regulations, and standards that are applicable to, and govern, the activities involved with the site investigation and remedial action at the site.” (Italics added.)

that, as our Supreme Court observed in another context: “The precise relationship between these existing laws and Proposition 65 is unclear, but greater knowledge of this relationship is unnecessary to resolve the present litigation.” (*People ex rel. Lungren v. Superior Court* (1997) 14 Cal.4th 294, 311, fn. 7.)

2. Judicial Notice

The parties have made numerous requests for judicial notice. The respondents ask that we take judicial notice of a similar lawsuit CDG filed against Cannery Hamilton Properties LLC, which is apparently pending in superior court, and of ballot pamphlet materials accompanying Proposition 65. For its part, CDG requests that we take judicial notice of certain newspaper articles, as well as charts and declarations maintained in DTSC’s files concerning the manner in which waste was deposited at the site during its operation as a landfill. None of the material contained in these requests is necessary to the resolution of this appeal. We therefore deny the requests for judicial notice and turn to the merits.

B. *The Complaint Fails to State a Cause of Action under Proposition 65*

CDG argues the trial court erred in concluding the DTSC consent decree immunized the defendants from Proposition 65 claims. We conclude CDG misapprehends the trial court’s ruling and the trial court properly sustained the defendants’ demurrers as a matter of law.

A demurrer tests the legal sufficiency of the complaint. (*Blank v. Kirwan* (1985) 39 Cal.3d 311, 318.) Therefore, we review the complaint de novo to determine whether it contains sufficient facts to state a cause of action. (*Hill v. Miller* (1966) 64 Cal.2d 757, 759.) “We treat the demurrer as admitting all material facts properly pleaded, but not contentions, deductions or conclusions of fact or law.” (*Serrano v.*

Priest (1971) 5 Cal.3d 584, 591.) The trial court exercises its discretion in declining to grant leave to amend. (*Blank v. Kirwan*, at p. 318.) The trial court abuses its discretion if it fails to grant leave to amend if it is reasonably possible an amendment can cure the pleading. (*Ibid.*) The burden rests “squarely on the plaintiff” to prove the possibility an amendment will cure the defect. (*Ibid.*)

1. The Complaint States No Discharge or Release Claim under Section 25249.5

The trial court’s observation that it could not “ignore” the consent decree does not amount to a finding that the consent decree immunized the defendants. The decree has no such effect, as we explain below. The consent decree, to the extent CDG’s complaint relies on it and excerpts it, forms the factual basis for the allegations of the complaint. These allegations reveal the nature of the defendants’ activities at the site do not fall under the discharge and release prohibition in Proposition 65. (§ 25249.5) The defendants are cleaning up the site, albeit “ineffectively” according to the complaint. But remediation, whether effective or not, presupposes the existence of *past* “discharges” and “releases” to be cleaned up, and does not by itself imply the remedial efforts have caused *new*, “active” discharges or releases subject to Proposition 65 liability. (Accord, *Consumer Advocacy Group*, *supra*, 104 Cal.App.4th at p. 438 [passive migration of prohibited substances after initial discharge or release does not constitute a new discharge or release within meaning of Proposition 65].)

Consumer Advocacy Group thoroughly explored the meaning of “discharge” and “release” in section 25249.5. There, the parties agreed that because the defendant (Exxon) “had not actively operated any of the gas stations for more than four years prior to the filing of the complaint, Exxon ‘could not have “discharged” or “released” a Proposition 65-listed chemical as alleged in the Complaint during a period

within the statutes of limitation.’ Accordingly, the only theory of liability potentially applicable to Exxon was that the ‘continued presence’ or ‘passive migration’ of designated chemicals in the soil or groundwater constituted a ‘discharge’ or ‘release’ within the meaning of section 25249.5.”¹⁰ (*Consumer Advocacy Group, supra*, 104 Cal.App.4th at pp. 442-443.)

The court in *Consumer Advocacy Group* noted that “[w]hen, as here, the phrase (‘discharge or release’) is not defined within the initiative, [fn. omitted] ‘it can be assumed to refer not to any special term of art, but rather to a meaning that would be commonly understood by the electorate.’ [Citation.] To determine the common meaning, a court typically looks to dictionaries.” (104 Cal.App.4th at p. 444.) In reviewing a multitude of dictionary definitions for “discharge” and “release,” the court observed the definitions usually included the word “contents.” “Contents,” the court explained, “indicates the ‘release’ or ‘discharge’ of a chemical maintained in a structure or fixture that had contained or restricted such chemical. These definitions therefore all convey movement out of a confined space such as a container, not, as plaintiff suggests, simply movement from one point to another — the concept implicit in its claim that ‘passive migration’ or ‘continued presence’ are embraced within the meanings of ‘discharge’ and ‘release’ as used in section 25249.5.” (*Ibid.*)

The court also recognized that explanatory material in a ballot pamphlet sheds light on the electorate’s understanding of the words used in an initiative. The explanatory material accompanying Proposition 65 made ample use of the words “put” and “dump.” The court therefore concluded that “use of these words indicates the

¹⁰ The parties disputed which statute of limitations applied to claims under Proposition 65, but agreed the maximum possible limitations period was four years, as prescribed by Business and Professions Code section 17208.

electorate intended to subject to a penalty the action of actively placing toxic chemicals into the drinking water. That was the conduct the electorate intended to render culpable. [Fn. omitted.] Nothing in the ballot materials even suggests this portion of the initiative was intended to include migration of chemicals that had already been discharged or released.” (*Consumer Advocacy Group, supra*, 104 Cal.App.4th at pp. 445-446.)

CDG attempts to distinguish *Consumer Advocacy Group* on grounds that the defendants are *current* “operators” at the site, unlike the defendant there who no longer operated the closed gas stations. CDG misses the point of *Consumer Advocacy Group*. There, the court explained use of the words “discharge” and “release” in Proposition 65 conveyed “an active concept: that the actor releases something that was previously confined.” (104 Cal.App.4th at p. 444.) In a nutshell, the fatal defect of CDG’s operative complaint is that it fails to allege the logical predicate for remediator liability, i.e., that a listed chemical became effectively contained, *and then*, violating the prohibition embodied in section 25249.5, the remediator “knowingly discharge[d] or release[d]” the chemical from its container.

Absent the predicate of effective containment at some point before or during the remediation, CDG’s complaint describes merely passive migration. In other words, if a substance is not effectively contained by remedial efforts, then by definition it may move from one point to another. But as *Consumer Advocacy Group* explained, “simpl[e] movement from one point to another — the concept implicit in . . . ‘passive migration’” is *not* “embraced within the meanings of ‘discharge’ and ‘release’ as used in section 25249.5.” (*Consumer Advocacy Group, supra*, 104 Cal.App.4th at p. 444.) Based on its terms requiring an act of discharge or release instead of passive migration, we conclude section 25249.5 is not generally applicable to remediation of prior

hazardous waste discharges or releases. This conclusion is no more than a restatement of the statute's terms: it applies to discharges and releases, not their cleanup.

The regulatory framework supports our conclusion. The Office of Environmental Health Hazard Assessment (OEHHA) is the lead agency responsible for implementing the Act. (See § 25249.12; Cal. Code Regs., tit. 22, § 12102.) OEHHA has determined that the “discharge or release into water or onto or into land” language in section 25249.5 “does not include the sale, exchange or other transfer of a listed chemical to a solid waste disposal facility as defined in Public Resources Code Sections 40121 and 40191, or a hazardous waste facility as defined in Health and Safety Code Section 25117.1 provided that the disposal to such facility complies with all applicable state and federal statutes, rules, regulations, permits, requirements and orders.” (Cal. Code Regs., tit. 22, § 12102, subd. (f)(1).) In the public comment period before OEHHA promulgated its regulations, a commentator recommended that any limitation on the liability of businesses utilizing waste disposal facilities should depend on whether the facility was in compliance with applicable legal requirements. (OEHHA, Final Statement of Reasons, p. 47) OEHHA, however, concluded it was unlikely businesses who utilize waste disposal facilities could practicably monitor the facility's compliance. The agency determined that “*the responsibility under the Act for a discharge by a facility should be the facility's.*” (Italics added.)

Similarly, it makes no practical sense to impose an additional layer of liability on entities remediating a facility's discharges because the remediator would have no way to prevent discharges or releases that have already occurred. Imposing such liability would destroy the remediation enterprise because no reasonable person would undertake the impossible task of rewinding time. In sum, given section 25249.5's

prohibitory nature, responsibility properly lies with the person or entity who causes the discharge or release in the first place, not a later remediator.

Void-for-vagueness due process concerns also counsel against interpreting Proposition 65 as applying, in the ordinary case, to remediation. *Consumer Advocacy Group* noted: “[I]f Proposition 65 were interpreted to penalize a person for every day that he or she leaves toxics in the ground or fails to clean up a prior spill, there would be hopeless uncertainty as to the circumstances under which a penalty might be imposed. How quickly, and to what extent, would remediation be required to avoid the penalty? Would a party conducting remediation in compliance with the directives of the appropriate regulatory agency nonetheless be subject to the imposition of a daily penalty while the cleanup efforts continue? Which former owners or possessors of the property would be sub[j]ect to a penalty? Neither the language of section 29249.5 — “discharge or release” — nor the accompanying regulations provide the specificity necessary to impose a penalty on this basis. If interpreted as plaintiffs urge, the statute likely would be unconstitutionally infirm because of vagueness.” (104 Cal.App.4th at p. 446, fn. 11, quoting trial court’s ruling in a related case[.]) We agree with these observations and conclude section 25249.5 does not ordinarily apply to remediation.

Contrary to CDG’s assertion, however, the conclusion that cleanup operations are not by their nature within the scope of Proposition 65 does not mean that persons engaged in remediation are immune from liability. To the contrary, a cleanup operator who opens the spigot on a barrel known to contain listed chemicals, dispersing them into water or onto land, falls squarely within the prohibition against knowing discharges and releases. But CDG’s complaint alleges neither the predicate of effective

containment, nor the requirement of a knowing discharge from the container by the remediator.

True, the complaint recites variations of the word “contain,” specifically in reference to lagoons and pits at the site “containing” listed chemicals, but the complaint never suggests the defendants knowingly caused any prohibited substances to cross the boundaries of these “containers.”¹¹ Instead, the complaint describes ongoing migration of substances at the site but, notably, makes no claim any movement is due to the defendants’ operations at the site. For example, the relevant allegations state: “volatile waste components present in the lagoons and Pit F volatilize[] from the surface and disperse[] into the atmosphere . . . ; . . . disturbance of the lagoons or Pit F will result in the release of vapors or hazardous particulates . . . ; . . . the lagoons have previously overflowed during heaving rains,” and “the Designated Chemicals in the lagoons and Pit F have migrated and will continue to migrate into the soil and groundwater beneath and adjacent to the Site through the walls of the lagoons and Pit F.”

The complaint also describes an “explosive discharge” from an “abandoned oil well at the Site” occurring on March 18, 2004, but there is no allegation the defendants did anything to precipitate the explosion. Indeed, not only is there no claim in the complaint that the defendants caused a discharge or release, there is no allegation they did so “knowingly,” as required for liability under the statute. In sum, because the complaint failed to allege the defendants knowingly caused, with their cleanup

¹¹ The complaint alleges generally: “At present, the Site consists of five waste lagoons filled with oily waste material, covering approximately 30% of the Site, and one pit (‘Pit F’), *containing* styrene waste and other waste, located in the southeast corner of the Site. There are also several buried pits *containing* oily waste material and at least one abandoned oil well.” (Italics added.)

operations, any new discharges or releases within the meaning of section 25249.5, the trial court properly sustained the defendants' demurrers.

2. The Complaint States No Warning Claim under Section 25249.6

CDG's warning claim under section 25249.6 fails similarly. Since the complaint makes no claim the defendants' cleanup operations caused a discharge or release, it cannot be said they "expose[d]" anyone to a dangerous chemical, let alone that they did so "knowingly and intentionally" without the requisite warning.

CDG suggests the defendants should be required to post a warning about possible exposure emanating from the site even if they did not cause it because they own the property. CDG's claim that the defendants own the property is not well-pleaded because it is contradicted within the complaint itself. In an initial allegation, the complaint alleges generally, as to all causes of action, that the site is "a property *owned and operated by Defendants.*" (Italics added.) More specifically, however, the complaint later states that, "[o]n information and belief, after entry of the Consent Order in February [] 2003, Defendants created a California entity, Cannery Hamilton Properties LLC, which purchased the Site from its prior owner. Defendants are members and owners of Cannery Hamilton Properties LLC, *and thus owners of the Site.*" (Italics added.)

This more specific allegation is not well-pleaded because it is a conclusion of law, indeed an erroneous one. (See *Blank v. Kirwan*, *supra*, 39 Cal.3d at p. 318 [court assumes true all facts pleaded in complaint but not conclusions of law].) An LLC, like a corporation, is a distinct person in the eyes of the law (Corp. Code, § 17003), entitled to own property. (*Id.*, subd. (f).) Just as an individual shareholder does not own the property the corporation holds title to, neither does any individual member of an LLC

own the LLC's property. Accordingly, CDG's complaint fails to state a claim based on ownership of the site.

3. The Complaint States No Unfair Business Practices Claim

Finally, because the trial court correctly concluded CDG stated no viable Proposition 65 claims, the derivative unfair business practices claim also fails. The trial court therefore properly sustained the defendants' demurrers.

III

DISPOSITION

The judgment is affirmed. Respondents are entitled to their costs on appeal. (Cal. Rules of Court, rule 27.)

ARONSON, J.

WE CONCUR:

RYLAARSDAM, ACTING P. J.

FYBEL, J.